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OF COUNSEL
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27297
RECORDATION NO. 27297 FILED

DEC 21 '07 -10 3 8 AM

SURFACE TRANSPORTATION BOARD

December 21, 2007

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Railcar Lease, dated as of December 1, 2005, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor: North America Rail Leasing #3, LLC
(d/b/a Babcock & Brown Rail Leasing)
1 Dag Hammarskjold Plaza
885 Second Avenue, 49th Floor
New York, NY 10017

Lessee: International Paper Company
Tower 1 - 14th Floor
6400 Poplar Avenue
Memphis, TN 38125

Mr. Vernon A. Williams
December 21, 2007
Page 2

A description of the railroad equipment covered by the enclosed document is:

172 railcars within the series MCSA 728225 - MCSA 728399 (previously marked BNSF) as more particularly set forth in the attachment to the document.

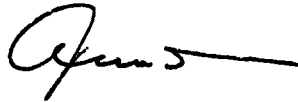
A short summary of the document to appear in the index is:

Memorandum of Railcar Lease.

Also enclosed is a check in the amount of \$35.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Alvord', with a long horizontal flourish extending to the right.

Robert W. Alvord

RWA/sem
Enclosures

JUL 21 '07 -10 3 8 AM

MEMORANDUM OF RAILCAR LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF NET RAILCAR LEASE dated as of this 1st day of December, 2005, to that certain Master Net Railcar Lease dated November 1, 2005 and effective as of July 1, 2005 between Babcock & Brown Rail Leasing Co. and INTERNATIONAL PAPER COMPANY, a New York corporation (the "Lessee"), pursuant to which Schedule No. 01 has been executed, is made by the Lessee and NORTH AMERICA RAIL LEASING #3 LLC (d/b/a Babcock & Brown Rail Leasing), a Delaware limited liability company (the "Lessor" and together with the Lessee, the "Parties").

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, the Babcock & Brown Rail Leasing Co. and the Lessee entered into that certain Master Net Railcar Lease and Schedule No. 01 thereto effective as of July 1, 2005 (hereinafter as the same may from time to time be amended, modified or supplemented, the "Agreement"), covering the equipment listed on Exhibit A hereto (the "Cars");

WHEREAS, the Parties wish to show for the public record the existence of the aforesaid Agreement, and the respective interests therein of the Parties and accordingly the Parties have caused this memorandum to be executed by their respective duly authorized officers, as of the date first above written.


NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties hereto, by this instrument the Lessor hereby leases and confirms the lease of the Cars to the Lessee in accordance with the terms and conditions of the Agreement, and the Lessee confirms and accepts such terms and conditions, which are incorporated by reference as if fully set forth herein.

This Memorandum of Railcar Lease may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned has caused this Memorandum of Railcar Lease to be executed by a duly authorized officer as of the day and year first above written.

NORTH AMERICA RAIL LEASING #3 LLC
(d/b/a Babcock & Brown Rail Leasing), as Lessor

By: 

Name: Ross Sullivan

Title: Vice President

INTERNATIONAL PAPER COMPANY, as Lessee

By: 

Name: Michael Salvo

Title: Manager - Rail

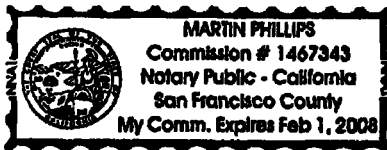
STATE OF CALIFORNIA)

) SS:

COUNTY OF SAN FRANCISCO)

On this 2 day of December, 2005 before me personally appears Ross Sullivan, to me personally known, who by me duly sworn, says that he is the Vice President of North America Rail Leasing #3 LLC (d/b/a Babcock & Brown Rail Leasing) (the "Company"), that the foregoing instrument was signed on behalf of the said Company by authority of its Officers, and he acknowledged that the execution of the foregoing instrument was the free act and deed of the said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



[SEAL]

Martin Phillips
Notary Public

My Commission expires:

MY COMMISSION EXPIRES APRIL 7, 2009

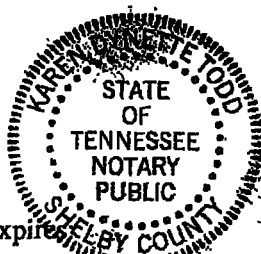
STATE OF Tennessee)

) SS:

COUNTY OF Shelby)

On this 2 day of December, 2005 before me personally appears Mike Salinas, to me personally known, who by me duly sworn, says that he/she is the Rail Transporter / Manager of International Paper Company (the "Company"), that the foregoing instrument was signed on behalf of the said Company by authority of its [Board of Directors], and he/she acknowledged that the execution of the foregoing instrument was the free act and deed of the said Company.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



[SEAL]

My Commission expires:

K. Todd
Notary Public

EXHIBIT A **REPORTING MARKS AND NUMBERS**

One Hundred Seventy-Two (172) 50' Plate F Boxcars equipped with double 8' plug doors, 286,000 lbs. GRL, AAR Car Code Type A406, built in 2000 by Trinity.

<u>Current Reporting</u>		<u>Replacement</u>		<u>Current Reporting</u>		<u>Replacement</u>	
<u>Marks and Numbers</u>		<u>Marks and Numbers</u>		<u>Marks and Numbers</u>		<u>Marks and Numbers</u>	
1	BNSF 728225	MCSA	728225	31	BNSF 728256	MCSA	728256
2	BNSF 728226	MCSA	728226	32	BNSF 728257	MCSA	728257
3	BNSF 728227	MCSA	728227	33	BNSF 728258	MCSA	728258
4	BNSF 728228	MCSA	728228	34	BNSF 728259	MCSA	728259
5	BNSF 728229	MCSA	728229	35	BNSF 728260	MCSA	728260
6	BNSF 728230	MCSA	728230	36	BNSF 728261	MCSA	728261
7	BNSF 728232	MCSA	728232	37	BNSF 728262	MCSA	728262
8	BNSF 728233	MCSA	728233	38	BNSF 728263	MCSA	728263
9	BNSF 728234	MCSA	728234	39	BNSF 728264	MCSA	728264
10	BNSF 728235	MCSA	728235	40	BNSF 728266	MCSA	728266
11	BNSF 728236	MCSA	728236	41	BNSF 728267	MCSA	728267
12	BNSF 728237	MCSA	728237	42	BNSF 728268	MCSA	728268
13	BNSF 728238	MCSA	728238	43	BNSF 728269	MCSA	728269
14	BNSF 728239	MCSA	728239	44	BNSF 728270	MCSA	728270
15	BNSF 728240	MCSA	728240	45	BNSF 728271	MCSA	728271
16	BNSF 728241	MCSA	728241	46	BNSF 728272	MCSA	728272
17	BNSF 728242	MCSA	728242	47	BNSF 728273	MCSA	728273
18	BNSF 728243	MCSA	728243	48	BNSF 728274	MCSA	728274
19	BNSF 728244	MCSA	728244	49	BNSF 728275	MCSA	728275
20	BNSF 728245	MCSA	728245	50	BNSF 728276	MCSA	728276
21	BNSF 728246	MCSA	728246	51	BNSF 728277	MCSA	728277
22	BNSF 728247	MCSA	728247	52	BNSF 728278	MCSA	728278
23	BNSF 728248	MCSA	728248	53	BNSF 728279	MCSA	728279
24	BNSF 728249	MCSA	728249	54	BNSF 728280	MCSA	728280
25	BNSF 728250	MCSA	728250	55	BNSF 728281	MCSA	728281
26	BNSF 728251	MCSA	728251	56	BNSF 728282	MCSA	728282
27	BNSF 728252	MCSA	728252	57	BNSF 728283	MCSA	728283
28	BNSF 728253	MCSA	728253	58	BNSF 728284	MCSA	728284
29	BNSF 728254	MCSA	728254	59	BNSF 728285	MCSA	728285
30	BNSF 728255	MCSA	728255	60	BNSF 728286	MCSA	728286

EXHIBIT A
REPORTING MARKS AND NUMBERS (CONT'D.)

One Hundred Seventy-Two (172) 50' Plate F Boxcars equipped with double 8' plug doors,
286,000 lbs. GRL, AAR Car Code Type A406, built in 2000 by Trinity.

<u>Current Reporting</u>		<u>Replacement</u>		<u>Current Reporting</u>		<u>Replacement</u>	
<u>Marks and Numbers</u>		<u>Marks and Numbers</u>		<u>Marks and Numbers</u>		<u>Marks and Numbers</u>	
61	BNSF 728287	MCSA 728287		91	BNSF 728318	MCSA 728318	
62	BNSF 728288	MCSA 728288		92	BNSF 728319	MCSA 728319	
63	BNSF 728289	MCSA 728289		93	BNSF 728320	MCSA 728320	
64	BNSF 728290	MCSA 728290		94	BNSF 728321	MCSA 728321	
65	BNSF 728291	MCSA 728291		95	BNSF 728322	MCSA 728322	
66	BNSF 728292	MCSA 728292		96	BNSF 728323	MCSA 728323	
67	BNSF 728293	MCSA 728293		97	BNSF 728324	MCSA 728324	
68	BNSF 728294	MCSA 728294		98	BNSF 728325	MCSA 728325	
69	BNSF 728295	MCSA 728295		99	BNSF 728326	MCSA 728326	
70	BNSF 728296	MCSA 728296		100	BNSF 728327	MCSA 728327	
71	BNSF 728298	MCSA 728298		101	BNSF 728328	MCSA 728328	
72	BNSF 728299	MCSA 728299		102	BNSF 728329	MCSA 728329	
73	BNSF 728300	MCSA 728300		103	BNSF 728330	MCSA 728330	
74	BNSF 728301	MCSA 728301		104	BNSF 728331	MCSA 728331	
75	BNSF 728302	MCSA 728302		105	BNSF 728332	MCSA 728332	
76	BNSF 728303	MCSA 728303		106	BNSF 728333	MCSA 728333	
77	BNSF 728304	MCSA 728304		107	BNSF 728334	MCSA 728334	
78	BNSF 728305	MCSA 728305		108	BNSF 728335	MCSA 728335	
79	BNSF 728306	MCSA 728306		109	BNSF 728336	MCSA 728336	
80	BNSF 728307	MCSA 728307		110	BNSF 728337	MCSA 728337	
81	BNSF 728308	MCSA 728308		111	BNSF 728338	MCSA 728338	
82	BNSF 728309	MCSA 728309		112	BNSF 728339	MCSA 728339	
83	BNSF 728310	MCSA 728310		113	BNSF 728340	MCSA 728340	
84	BNSF 728311	MCSA 728311		114	BNSF 728341	MCSA 728341	
85	BNSF 728312	MCSA 728312		115	BNSF 728342	MCSA 728342	
86	BNSF 728313	MCSA 728313		116	BNSF 728343	MCSA 728343	
87	BNSF 728314	MCSA 728314		117	BNSF 728344	MCSA 728344	
88	BNSF 728315	MCSA 728315		118	BNSF 728345	MCSA 728345	
89	BNSF 728316	MCSA 728316		119	BNSF 728346	MCSA 728346	
90	BNSF 728317	MCSA 728317		120	BNSF 728347	MCSA 728347	

EXHIBIT A
REPORTING MARKS AND NUMBERS (CONT'D.)

One Hundred Seventy-Two (172) 50' Plate F Boxcars equipped with double 8' plug doors,
286,000 lbs. GRL, AAR Car Code Type A406, built in 2000 by Trinity.

	<u>Current Reporting</u>	<u>Replacement</u>		<u>Current Reporting</u>	<u>Replacement</u>
	<u>Marks and Numbers</u>	<u>Marks and Numbers</u>		<u>Marks and Numbers</u>	<u>Marks and Numbers</u>
121	BNSF 728348	MCSA 728348	150	BNSF 728377	MCSA 728377
122	BNSF 728349	MCSA 728349	151	BNSF 728378	MCSA 728378
123	BNSF 728350	MCSA 728350	152	BNSF 728379	MCSA 728379
124	BNSF 728351	MCSA 728351	153	BNSF 728380	MCSA 728380
125	BNSF 728352	MCSA 728352	154	BNSF 728381	MCSA 728381
126	BNSF 728353	MCSA 728353	155	BNSF 728382	MCSA 728382
127	BNSF 728354	MCSA 728354	156	BNSF 728383	MCSA 728383
128	BNSF 728355	MCSA 728355	157	BNSF 728384	MCSA 728384
129	BNSF 728356	MCSA 728356	158	BNSF 728385	MCSA 728385
130	BNSF 728357	MCSA 728357	159	BNSF 728386	MCSA 728386
131	BNSF 728358	MCSA 728358	160	BNSF 728387	MCSA 728387
132	BNSF 728359	MCSA 728359	161	BNSF 728388	MCSA 728388
133	BNSF 728360	MCSA 728360	162	BNSF 728389	MCSA 728389
134	BNSF 728361	MCSA 728361	163	BNSF 728390	MCSA 728390
135	BNSF 728362	MCSA 728362	164	BNSF 728391	MCSA 728391
136	BNSF 728363	MCSA 728363	165	BNSF 728392	MCSA 728392
137	BNSF 728364	MCSA 728364	166	BNSF 728393	MCSA 728393
138	BNSF 728365	MCSA 728365	167	BNSF 728394	MCSA 728394
139	BNSF 728366	MCSA 728366	168	BNSF 728395	MCSA 728395
140	BNSF 728367	MCSA 728367	169	BNSF 728396	MCSA 728396
141	BNSF 728368	MCSA 728368	170	BNSF 728397	MCSA 728397
142	BNSF 728369	MCSA 728369	171	BNSF 728398	MCSA 728398
143	BNSF 728370	MCSA 728370	172	BNSF 728399	MCSA 728399
144	BNSF 728371	MCSA 728371			
145	BNSF 728372	MCSA 728372			
146	BNSF 728373	MCSA 728373			
147	BNSF 728374	MCSA 728374			
148	BNSF 728375	MCSA 728375			
149	BNSF 728376	MCSA 728376			

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: 12/21/07



Robert W. Alvord